

MEMORANDUM FOR: CHIEF, PLANS AND PROGRAMS, PSYCHOLOGICAL STAFF  
DIVISION

SUBJECT: National Covert Strategy

I. Present Situation

In examining present policy it is to be noted that the containment theory, while it has resulted in certain success in the West, is causing the United States and its Allies to slowly bleed themselves to death in the East.

1. At the present moment the Korean War has resulted in a stalemate which has been very much to the advantage of Communist China and Soviet Russia. While truce negotiations drag slowly on, China is funneling technical advisers and supplies to Indo-China to the point where this "assistance" might almost be considered an invasion. Additional Chinese forces stand ready on the Indo-China Border. At the same time, Chinese and North Korean forces are being built up in Korea to the point where a successful new Communist offensive could be launched momentarily.
2. It is rapidly becoming apparent that the French cannot support their rearmament burden in the West and at the same time carry on alone the war in Indo-China even though they are provided with U. S. material. If the forces of Chinese troops which are now on the borders of Indo-China are launched in an all-out attack, rather than the periodic infiltration now taking place, it will become necessary for the United Nations and the United States to come to the assistance of France in Indo-China or Indo-China will be lost to the Communists and with it in due course Burma, Thailand and

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and other vital territories in Southeast Asia.

3. If the United Nations and the United States undertake the support of the French in Indochina, it will not be long before it will also be necessary for them to bail the British out in Malaya. This can only result in more deployment of vital U. S. and U. N. planes, troops and ships to areas where long and perhaps indecisive wars like that in Korea will be fought. Such - a policy will also alienate the peoples of Southeast Asia.

While this slow bleeding process is going on, it is apparent that the government of the USSR is conducting a subtle strategy aimed at ultimately luring the United States and the United Nations into an all-out war with China and miring these forces for months to come in the mud of China in a war that will be indecisive and to no one's advantage when settled, other than to the advantage of the USSR, which can thereby keep the Western forces from building up their deterrent strength and can also keep China whittled down to size. As Mr. Churchill has pointed out, we are now fighting the wrong nations in the wrong wars in the wrong places.

## II. Solution

It has been suggested that one possible solution to this dilemma is to engage the Chinese by permitting the forces of Chiang Kai-shek to invade China. In order to do this it is said that it would only be necessary to withdraw the Seventh Fleet from Formosa. Such an eventuality if used as anything but a deceptive measure could have but two results. The first result would be that the forces of Chiang Kai-shek

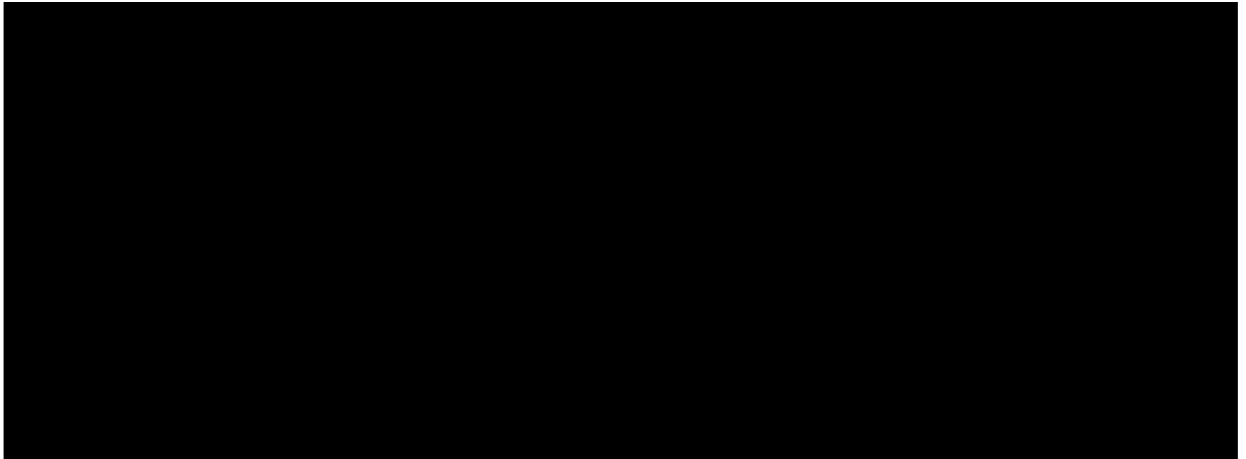
would be completely destroyed by the Chinese Communists. The Chinese Communists and the Chinese people have already run Chiang Kai-shek out of China because they did not want his government nor his type of government. Therefore, it cannot be assumed that his troops would receive a popular reception. Once having launched these forces, if we did not wish them to be completely destroyed, with the disastrous psychological effect that such destruction would have, it would be necessary for us to come to their aid and support. We would thereby immediately fall into the trap which the Soviet government has so long laid for us.

In order to avoid this slow but fatal bleeding of the United States and its allies, and at the same time not to lose Southeast Asia to the Communists, one possible solution is suggested. At the present time the relations between the government of Communist China and the government of the USSR appear to be excellent. They are bound to each other by mutual treaty and totalitarianism. However, there are also many points of rivalry and potential difficulty. If these points could be sufficiently exploited and if appropriate incidents could be covertly created, it might be possible to not only drive a wedge between Communist Russia and Communist China, as is now being attempted, but to turn one country actively against the other, thereby engaging them both in a long and non-profitable effort.

If the Communist government of China and the Communist government of the USSR could be set against each other so that hostilities actually broke out or were on the verge of breaking out, they would both become so involved that expansion on the part of Russia to the west or on the

part of China to the east, would not be possible for some time to come. Although this is a difficult objective to achieve, it is probably not as impossible as is the objective of causing a revolution in Soviet Russia which would abolish the present government and set up a government friendly to the U. S.

1. There are in fact major points of difference between the Chinese government and the Russian government.
2. There may well be a contest for world power between both these government.

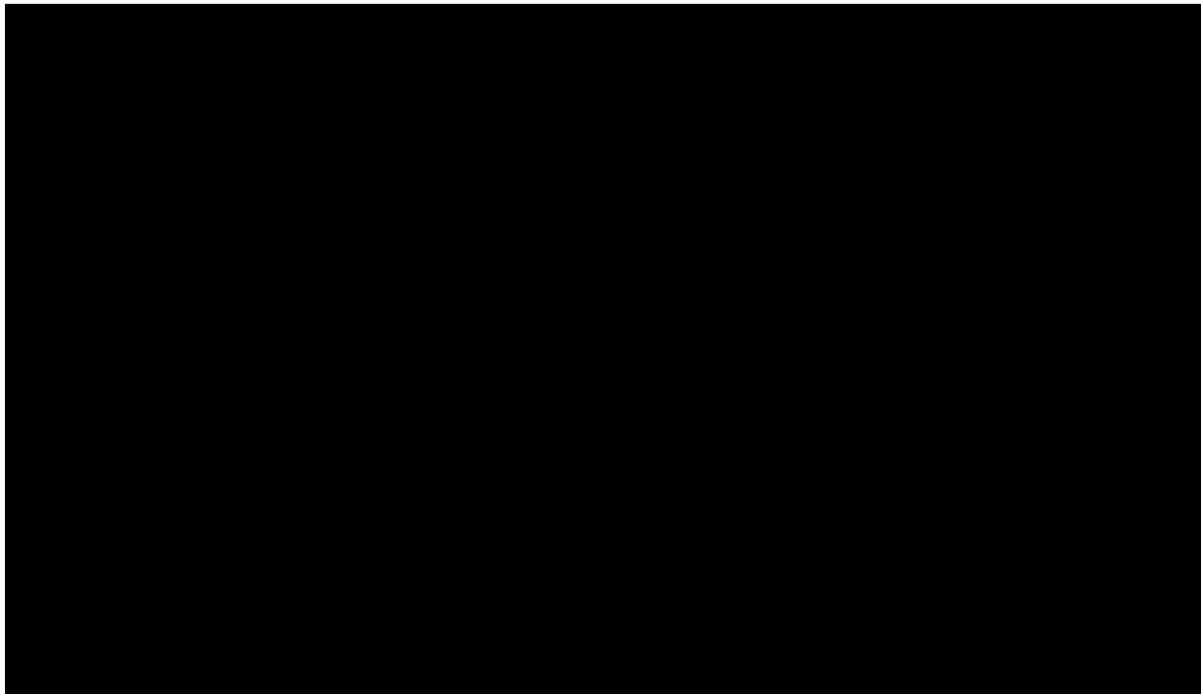


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Also, as a covert strategy, it would not be necessary to request any particular overt steps or policy changes such as the recognition of Communist China or the denial of Chiang Kai-shek, since the objective is not to turn China Titoist, or towards the West, but to turn it against the USSR. Although this objective may seem difficult of accomplishment, it would be much less expensive and much more effective than our present objective of containing the entire non-Communist world while pieces of it rapidly slip away from us while we are looking in the other direction.

III. METHOD

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2. If direct action methods of this kind are accompanied by an all-out propaganda attack, they may soon begin to take effect. The Chinese should constantly be reminded: that:

a. It is Soviet Russia which has brought them into the Korean war and that it is Soviet Russia which makes them continue in this war. While the USSR does not lose a man, the battle is being fought by the Chinese.

b. At the same time that the USSR is weakening China by destroying its manpower, it is also weakening them economically by charging China for planes, technicians, and war supplies.

c. The USSR is forcing China to fight in order to keep China weak and to keep China from dominating Asia.

d. China is in constant danger of losing control of Manchuria to the USSR. Despite protestations to the contrary, the USSR is in

almost complete control of Manchuria and is endeavoring to remove it from the Chinese sphere of influence.

Similar propaganda themes of this type can be used to infuriate the Chinese against the USSR and to cause a schism. At the same time the USSR should be constantly reminded that Mao wishes to become a second Lenin. It has already been indicated that Mao does not consider himself to be subservient to Stalin. A play to Russia on the potential power of China as the dominant force in Southeast Asia may easily result in a further schism.

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This is only included as a suggestion as to the type of strategy which might be used to accomplish the desired result.

#### IV. RECOMMENDATION

That one of the major priority objectives of national covert strategy should be to drive a wedge between the Communist government of China and the Communist government of the USSR to the point where hostilities actually break out or are on the constant verge of breaking out; thereby engaging the two major Communist powers of the world with

each other so that they are no longer a menace to the West and to their Asiatic neighbors.

TRANSMITTAL SLIP		
(DATE)		
TO: C.P.P.		
BUILDING	ROOM NO.	
REMARKS: Has C.P.P. seen this? I think he should O.K.		
FROM:		
BUILDING	ROOM NO.	EXTENSION

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